

Message Text

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PAGE 01 LOME 00704 031346Z
ACTION EB-08

INFO OCT-01 AF-10 ISO-00 SS-15 NSC-05 OMB-01 EUR-12
TRSE-00 AID-05 XMB-02 /059 W
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FM AMEMBASSY LOME
TO SECSTATE WASHDC 3684
INFO USDOC WASHDC

C O N F I D E N T I A L L O M E 704

EO 11652: GDS
TAGS: EINV EMIN TO
SUBJ: INVESTMENT OPPORTUNITY: GOT SEEKING US FINANCING OF
EXPANSION PHOSPHATE PRODUCTION

REF: LOME 180

1. TOGOLESE OFFICE OF PHOSPHATES WISHES TO ENLARGE
ITS PROCESSING PLANT AT KPME AND ALSO TO EXPAND EXPLOI-
TATION OF TOGOLESE PHOSPHATE ROCK BEARING DEPOSITS.
THIS PROJECT WILL COST APPROXIMATELY \$40 MILLION.

2. A FRENCH COMPANY HAS OFFERED THE GOT A LOAN WITH AN
INTEREST RATE OF 11-12 PER CENT, TEN YEARS TO PAY
WITH A THREE-YEAR GRACE PERIOD.

3. PRESIDENT EYADEMA IS RELUCTANT TO PAY SUCH HIGH
INTEREST AND HAS ASKED DR CODJO PINTO, WHO REPORTS HE
IS IN THE LAST STAGES OF OBTAINING A \$35 MILLION
LOAN FROM THE MERBAN CORPORATION OF NEW YORK (ONE STATE
STREET PLAZA, NY, NY 212-248-7800) FOR THE LOME II
PROJECT (SEE REF) TO ATTEMPT TO SEEK US FINANCING
FOR THE PHOSPHATE PROJECT. THE GOT WISHES TO OBTAIN THE
LOAN AT AROUND 8 PERCENT IF POSSIBLE, WITH A MAXIMUM
OF TEN PERCENT-TEN YEARS TO PAY AND A THREE-YEAR GRACE
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PERIOD.

4. THE GOT WISHES ABSOLUTE CONFIDENTIALITY PRIOR TO
FINAL NEGOTIATION OF A LOAN AGREEMENT. THIS IS AN
EFFORT TO BREAK AWAY FROM SOLE FRENCH SOURCING AND
FINANCING AND REPRESENTS AN EXCELLENT OPPORTUNITY FOR
AMERICAN INTERESTS TO OBTAIN A STRATEGIC FOOTHOLD IN

THE TOGOLESE PHOSPHATE INDUSTRY.

5. AT PRESIDENT EYADEMA'S DIRECTION, PINTO WAS SENT TO THE EMBASSY TO EXPLAIN THE PHOSPHATE EXPANSION PROJECT BY M'BA KABASSEMA, DIRECTOR OF THE TOGOLESE OFFICE OF PHOSPHATES. KABASSEMA IS PREPARED TO COME TO THE UNITED STATES TO NEGOTIATE DIRECTLY WITH POTENTIAL INVESTORS. THE GOT WOULD GUARANTEE THE LOAN. THE GOT WOULD LIKE TO COMPLETE THIS TRANSACTION WITHIN THE NEXT THREE MONTHS.

6. REQUEST GUIDANCE. PALMER

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NNN

Message Attributes

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